



PUBLIC NOTICE

Federal Communications Commission
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DA 06-915
Released: April 20, 2006

**DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL
OF EVEREST MIDWEST, LLC FROM AQUILA, INC. TO
EVEREST CONNECTIONS HOLDINGS, INC.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 06-75

Comments Due: May 4, 2006

Reply Comments Due: May 11, 2006

On March 24, 2006, Aquila, Inc. (“Aquila”) and Everest Connections Holdings, Inc. (“Everest Connections Holdings”) (collectively, the “Applicants”) filed an application pursuant to section 63.04 of the Commission’s rules¹ to transfer control of Everest Midwest, LLC (“Everest Midwest”), a holder of domestic and international Section 214 authorizations, from Aquila to Everest Connections Holdings.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission’s rules because: (1) Everest Connections Holdings will have a market share in the interstate, interexchange market of less than 10 percent; (2) Everest Connections Holdings will provide competitive telephone exchange service or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to this application; and (3) neither of the applicants is dominant with respect to any service.³

Aquila, a Delaware publicly traded corporation whose principal businesses are natural gas and electric power distribution and the generation of electric power, indirectly owns and controls Everest Midwest, a competitive local exchange carrier (“LEC”) providing voice and

¹ See 47 C.F.R. § 63.04.

² Counsel for Everest Connections Holdings filed a supplement to this Application on April 6, 2006. Applicants have also filed an application for consent to transfer authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related pending applications.

³ See 47 C.F.R. § 63.03(b)(2)(i).

data communications services in the Kansas City metropolitan area. In addition to local telephone service, Everest Midwest provides domestic and international long distance service to its customers on a resale basis and holds both domestic and international Section 214 authorizations from the Commission. Aquila indirectly owns and controls Everest Global Technologies Group, LLC, which owns Everest Holdings I, LLC, which wholly owns Everest Midwest.

Everest Connections Holdings, a Delaware corporation, was created for the purpose of acquiring the membership interests of Everest Holdings I, LLC. Everest Connections Holdings is wholly owned by Everest Broadband, Inc. ("Everest Broadband"). The following entities own a 10% or greater direct or indirect interest in Everest Broadband: Seaport Capital Partners III AIV, L.P., a Delaware limited partnership (62%); Seaport Capital Partners III/A AIV, L.P., a Delaware limited partnership (19% through interest in Everest Broadband, Seaport Splitter Partnership, L.P., and Seaport Blocker Corp. Ltd.); AIG Global Investment Corp., a U.S. corporation (18%); and Seaport Splitter Partnership, L.P., a Delaware limited partnership (12%).

The following entities or individuals own a 10% or greater indirect interest in Everest Broadband as limited partners of Seaport Capital Partners III AIV, L.P.: State Street Bank and Trust Company as Trustee for the Dupont Pension Trust, a U.S. investor (24%); and Robert W. Johnson IV, a U.S. citizen (12%). Seaport Capital Partners III AIV, L.P. is controlled by its general partner Seaport Investment Partners III, L.P., a Delaware limited partnership, which is in turn controlled by its sole general partner Seaport Associates III, LLC, a Delaware limited liability company.⁴

Auber Investments Limited, a British Virgin Islands company, holds a 12% indirect interest in Everest Broadband through its limited partner ownership in Seaport Capital Partners III/A AIV, LP.

AIG Global Asset Management Holdings, Inc., a U.S. holding company, holds an 18% indirect ownership interest in Everest Broadband through its ownership of AIG Global Investment Corp. AIG Capital Corp., a U.S. holding company, holds an 18% indirect ownership interest in Everest Broadband through its ownership interest in AIG Global Asset Management Holdings, Inc. American International Group, Inc., a U.S. corporation, holds an 18% indirect ownership interest in Everest Broadband through its ownership interest in AIG Capital Corp.

Seaport Blocker Corp. Ltd., a Cayman Islands limited liability exempted company, holds a 12% indirect ownership interest in Everest Broadband through its ownership interest in Seaport Splitter Partnership, L.P. The entire Seaport family of companies and partnerships are

⁴ Seaport Associates III, LLC is owned by five individual members, William Luby, James Collis, Kevin Brandon, Stephen McCall, and Alison Mulhern, each of whom is a U.S. citizen. Letter from Michael G. Jones, Counsel for Everest Connections Holdings, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 06-75 (filed Apr. 17, 2006).

collectively referred to as “Seaport Capital.” Seaport Capital owns or controls telecommunications providers, including competitive LECs and rural LECs, which do not provide service in the areas served by Everest Midwest.⁵

There are no other direct or indirect 10% or greater owners of Everest Connections Holdings.⁶

Applicants state that the proposed transaction will serve the public interest because: (1) Seaport Capital will assist Everest Midwest in providing competitive services to consumers in the Kansas City metropolitan area; and (2) competition will not be adversely affected by the acquisition of Everest Midwest by Everest Connections Holdings.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission’s rules and policies. Pursuant to sections 1.415 and 1.419 of the Commission’s rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before May 4, 2006 and reply comments on or before May 11, 2006.**⁷ Unless otherwise notified by the Commission, Applicants are permitted to transfer the assets and related control on the 31st day after the date of this notice.⁸ Comments may be filed using: (1) the Commission’s Electronic Comment Filing System (ECFS), (2) the Federal Government’s eRulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or

⁵ The Seaport Capital entities indirectly own or control Guam Telecom, LLC and CNMI Telecom LLC, which hold international section 214 authorizations and provide telecommunications services only in the U.S. Territory of Guam and in the U.S. Commonwealth of the Northern Mariana Islands, respectively. Letter from Michael G. Jones, Counsel for Everest Connections Holdings, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 06-75 (filed Apr. 6, 2006) (Everest Apr. 6, 2006 Letter).

⁶ Everest Apr. 6, 2006 Letter at 1.

⁷ See 47 C.F.R. § 63.03(a).

⁸ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.

- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

You may submit comments, identified by the above noted docket number, by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; email: tracey.wilson-parker@fcc.gov;
- (3) Kimberly Jackson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C317, Washington, D.C. 20554; e-mail: kimberly.jackson@fcc.gov;
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CYB402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpweb.com.

For further information, please contact Tracey Wilson-Parker at (202) 418-1394, or Kimberly Jackson at (202) 418-7393.

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